

# Sponsored Program Fund

Sponsored program funds provide a means of operation for new organizations or special projects which lack charitable tax status. As a sponsored program fund, you can enjoy fiscal sponsorship by the Greater Washington Community Foundation, which provides fiduciary oversight, financial management, and other administrative services, as well as the benefit of its tax-exempt status.

The Community Foundation supports sponsored program funds in furtherance of its broad charitable purposes: providing benefits to the community, supporting efforts that address emerging needs, and facilitating collaborations and partnerships.

Those who establish a sponsored program fund may range from an individual who has developed a program idea and is applying to the IRS for exemption, to community partnerships seeking to house a joint effort, to collaborations of corporate partners that pool resources and raise funds for a special cause. Sponsored program funds are usually temporary, supporting a short-term project from beginning to end or providing an interim home until a new initiative attains charitable tax status on its own.

## HOW TO GET STARTED

Review the services and responsibilities on the reverse. Establishing a sponsored program fund requires a minimum initial contribution of \$10,000 and a documented ability to raise at least \$50,000 within the first year of the project. To apply for consideration as a sponsored program fund, submit a request to The Community Foundation including:

- ✓ Summary of the program: objectives and goals, benefit to the community
- ✓ Name and contact information for the main administrative contact
- ✓ Name, affiliation, and contact information for each member of the steering committee as well as their leadership roles (chair, treasurer, etc.)
- ✓ Timeline: When was the program founded? Is an application for tax-exempt status in progress? When do you expect sponsored program status to no longer be necessary?
- ✓ Program budget, and plan for securing the resources required by the project

## SERVICES PROVIDED BY THE COMMUNITY FOUNDATION

The Community Foundation serves as the charitable umbrella and legal arm for the sponsored program. As such, it:

- **ACCEPTS TAX-DEDUCTIBLE GIFTS** to the fund, provides tax receipts to donors for gifts greater than \$250, notifies the program of all gifts and any restrictions named by donors.

- **PAYS PROGRAM EXPENSES** directly to vendors from the fund, following a pre-approved program budget.
- **REVIEWS AND SIGNS CONTRACTS** for consultants, services, event venues, etc.
- **PROVIDES FINANCIAL ADMINISTRATION** and oversight and completes all tax filings, as the program operates as a component fund of The Community Foundation.

## RESPONSIBILITIES OF THE SPONSORED PROJECTS

Because The Community Foundation is legally responsible for the sponsored program, program organizers must remain in close contact with The Community Foundation about all plans, especially those for:

- **MARKETING MATERIALS**, including web content such as that on a third-party fundraising platform, must be reviewed by The Community Foundation prior to use to ensure adherence to IRS regulations.
- **FUNDRAISING APPLICATIONS** to foundations and corporations, which must be submitted by The Community Foundation along with supplemental documentation such as The Community Foundation's 501(c)(3).
- **SPECIAL EVENTS**, which require early pre-approval of the event plan and an assessment of insurance needed. Some types of events are not allowed. All contracts must be signed by The Community Foundation.
- **CONSULTANT AGREEMENTS**, which must be reviewed by The Community Foundation before they are offered.

The sponsored project is solely responsible for hiring staff and providing payroll and benefits, meeting grant reporting requirements, and serving as grants administrator.

### FEED THE FIGHT

Feed the Fight started as a simple idea in the early days of the COVID19 pandemic. Medical staff were struggling through grueling, long shifts in the fight against the disease, and restaurants were straining to keep even a skeleton staff on the payroll. A small group of friends and neighbors thought: What if we could support local restaurants by purchasing takeout meals to feed health care workers at nearby hospitals?

The response to the call for donations was so swift and enthusiastic that volunteer organizers became overwhelmed. Fortunately, Feed the Fight joined The Community Foundation as a sponsored program fund, providing the fledgling volunteer-driven effort with nonprofit status and the infrastructure of a large charitable foundation.

The additional muscle enabled the organizers to focus on the core mission to support local restaurants while feeding frontline workers.

